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Attorneys for Brad D. Krasnoff,
Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re
SERAPIO VENEGAS,

Debtor.

Case No. 2:19-bk-13181-RK

Chapter 7

**TRUSTEE'S NOTICE OF MOTION AND
MOTION FOR ORDER:
(1) AUTHORIZING TRUSTEE TO
PREPARE LIST OF CREDITORS,
SCHEDULES AND STATEMENT OF
FINANCIAL AFFAIRS; AND
(2) EXTENDING TIME TO FILE
COMPLAINT OBJECTING TO
DEBTOR'S DISCHARGE;
MEMORANDUM OF POINTS AND
AUTHORITIES, DECLARATION OF
BRAD D. KRASNOFF AND REQUEST
FOR JUDICIAL NOTICE IN SUPPORT
THEREOF**

Date: July 30, 2019
Time: 2:30 p.m.
Place: Courtroom 1675
255 E. Temple Street
Los Angeles, CA 90012

PLEASE TAKE NOTICE that on July 30, 2019, at 2:30 p.m., Brad D. Krasnoff, the
Chapter 7 trustee (the "Trustee") for the estate of Serapio Venegas (the "Debtor") will and hereby
does move the Court (the "Motion"): (1) pursuant to Federal Rule of Bankruptcy Procedure
1007(k) for an order authorizing the Trustee to prepare the list of creditors, schedules and statement

1 of financial affairs in the Debtor's bankruptcy case using his best efforts after consulting with the
2 petitioning creditor; and (2) pursuant to Federal Rules of Bankruptcy Procedure 4004(b) and 9013,
3 extending the time for the Trustee or any creditor or party-in-interest to file a complaint objecting
4 to the Debtor's discharge under 11 U.S.C. § 727 (the "727 Deadline") for six months from August
5 19, 2019 to and including February 19, 2020, or such further date as the Court may fix after due
6 notice.

7 The Motion is made on the grounds that this case was commenced as an involuntary and the
8 Debtor failed to comply with this Court's Order for Relief and Order to File Schedules, Statements
9 and List(s) entered on or about April 30, 2019 (*docket no. 11*). The Trustee seeks an order
10 authorizing the Trustee, after consulting with the petitioning creditor, to prepare and file schedules,
11 statements and list(s) to the best of his information and belief on behalf of the Debtor.
12 Additionally, cause exists to extend the 727 Deadline because the Trustee requires additional time
13 to complete his investigation of the Debtor's assets, liabilities and financial affairs to determine
14 whether grounds exist to deny the Debtor's discharge. Accordingly, an extension of the 727
15 Deadline for six months is requested.

16 This Motion is based on this Notice of Motion and Motion, the accompanying
17 Memorandum of Points and Authorities, Declaration of Brad D. Krasnoff, and Request for Judicial
18 Notice, the papers and pleading on file in the Debtor's bankruptcy case, and such other grounds
19 that may be presented to the Court.

20 PLEASE TAKE FURTHER NOTICE that pursuant to Local Bankruptcy Rule ("LBR")
21 9013-1(f), each interested party opposing, joining, or responding to the Motion must, not later than
22 14 days before the date of the hearing, file with the Clerk of the Bankruptcy Court and serve upon
23 (1) counsel for the Trustee named in the upper left-hand corner on the first page of this Notice; (2)
24 the Office of the United States Trustee, 915 Wilshire Boulevard, Suite 1850, Los Angeles, CA
25 90017; and (3) all other parties in interest who are entitled to notice of this matter, either: (i) a
26 complete written statement of all reasons in opposition thereto or in support or joinder thereof,
27 declarations and copies of all documentary evidence on which the responding party intends to rely,
28 and any responding memorandum of points and authorities; or (ii) a written statement that the

1 Motion will not be opposed. Pursuant to LBR 9013-1(h), if a party does not timely file and serve a
2 response, the Court may deem such failure to be consent to the granting of the motion.

3

4 DATED: July 8, 2019

DANNING, GILL, DIAMOND & KOLLITZ, LLP

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By: 

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SONIA SINGH

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Attorneys for Brad D. Krasnoff, Chapter 7 Trustee

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MEMORANDUM OF POINTS AND AUTHORITIES

I.

STATEMENT OF FACTS

On or about March 22, 2019, an involuntary petition under Chapter 7 of title 11 of the United States Code (the “Bankruptcy Code”) was filed against Serapio Venegas (the “Debtor”) by petitioning creditor Stephen Wood (the “Petitioning Creditor”). The order for relief was entered on or about April 30, 2019 (*docket no. 11*), pursuant to which the Debtor was ordered to file his schedules and related papers by May 7, 2019. To date, no schedules have been filed.

On or about May 10, 2019, Brad D. Krasnoff accepted appointment as the Chapter 7 trustee for the Debtor’s estate and continues to serve in that capacity for the benefit of creditors. The deadline for the Trustee or any creditor or party-in-interest to file a complaint objecting to the Debtor’s discharge under 11 U.S.C. § 727 (the “727 Deadline”) is August 19, 2019. The initial 341(a) meeting of creditors was held on June 20, 2019 and the Debtor failed to appear. A continued 341(a) is currently set for July 11, 2019.

A review of the pleadings and other documents on file reveal that, on July 18, 2015, the Petitioning Creditor was grievously injured when the bicycle he was riding was struck by a vehicle driven by the Debtor. The Petitioning Creditor subsequently filed a state court action against the Debtor entitled *Stephen Wood v. Serapio Venegas*, Los Angeles Superior Court Case No. MC026431 (the “State Court Action”) and obtained a judgment against the Debtor in the amount of \$13,832,242.

The Petitioning Creditor alleges that the Debtor has few other creditors and assets of limited value other than the right under California law to assign certain rights against his insurer, Alliance United Insurance Company (“Alliance United”). The Trustee is informed that those rights may be valuable because Alliance United let a settlement offer from the Petitioning Creditor lapse without acceptance, thereby giving rise to claims against Alliance United for failure to defend, failure to settle and/or failure to indemnify the Debtor in the State Court Action. The Petitioning Creditor advises that the Debtor has refused to assign those rights.

II.

ARGUMENT

A. The Court Should Authorize the Trustee to File the List of the Debtor's Creditors,
Schedules, Statement of the Debtor's Financial Affairs and Related Documents

Section 521 of the Bankruptcy Code lists the duties of a debtor. Section 521(a)(1) requires that the debtor file a list of creditors and, unless the court orders otherwise, a schedule of assets and liabilities, a schedule of current income and current expenditures, and a statement of the debtor's financial affairs.

Federal Rule of Bankruptcy Procedure 1007(a)(2) requires that in an involuntary case, the debtor must file within seven days after entry of the order for relief, a list containing the name and address of each creditor unless a schedule of liabilities has been filed. Rule 1007(b)(1) requires that the debtor file, among other things, a schedule of assets and liabilities and a statement of financial affairs. Federal Rule of Bankruptcy Procedure 1007(k) provides that if a list, schedule, or statement, other than a statement of intention, is not prepared and filed as required by this rule, the court may order the trustee, a petitioning creditor, committee, or other party to prepare and file any of these papers within a time fixed by the court.

Here, the Court should authorize the Trustee to prepare and file the list of creditors, schedules and statement of financial affairs on behalf of the Debtor. The deadline for the Debtor to file such papers lapsed on May 7, 2019. Due to the Debtor's default on his obligations to prepare and file a list of creditors, schedules and statements, the Trustee will endeavor to do so to the best of his information and belief after consulting with the Petitioning Creditor. Information regarding the Debtor's financial affairs, assets, liabilities, and creditors is necessary for the Trustee's performance of his duties and the administration of the Debtor's estate. As such, an order authorizing the Trustee to prepare and file documents pursuant to Rule 1007(k) is compulsory for the benefit of the estate.

1 B. Cause Exists for an Order Extending the Time to Object to the Debtor's Discharge

2 Section 521(a)(3) of the Bankruptcy Code requires that the debtor cooperate with the trustee
3 as necessary to enable the trustee to perform the trustee's duties. Section 341(a) requires that the
4 debtor appear to be examined by the trustee and creditors.

5 Pursuant to Rule 4004(b) of the Federal Rules of Bankruptcy Procedure, "[o]n motion of
6 any party in interest, after notice and hearing, the court may for cause extend the time to object to
7 discharge" under 11 U.S.C. § 727.

8 Cause exists to extend the time to file such objections in that the Debtor has failed to file his
9 list of creditors, schedules and statement of financial affairs, and also failed to appear at his initial
10 Section 341(a) meeting of creditors. Therefore, the Trustee needs additional time to not only
11 examine the Debtor, but also to investigate the Debtor's assets, liabilities and financial affairs to
12 determine whether there are or will be sufficient grounds upon which to commence an action
13 pursuant to 11 U.S.C. § 727. Accordingly, the 727 Deadline should be extended for no less than
14 six months, to February 19, 2020.

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16 III.

17 CONCLUSION

18 Based upon the foregoing, the Trustee respectfully requests that the Court: (1) authorize the
19 Trustee to prepare and file schedules, statements and list(s) to the best of his information and belief
20 on behalf of the Debtor after consulting with the Petitioning Creditor; (2) extend the 727 Deadline
21 to and including February 19, 2020, or such further date as the Court may fix after due notice; and
22 (3) grant such further relief as is just and proper under the circumstances.

23
24 DATED: July 8, 2019

DANNING, GILL, DIAMOND & KOLLITZ, LLP

25
26 By: 

27 SONIA SINGH

28 Attorneys for Brad D. Krasnoff, Chapter 7 Trustee

DECLARATION OF BRAD D. KRASNOFF

I, Brad D. Krasnoff, declare as follows:

1. I am the Chapter 7 trustee for the estate of Serapio Venegas (the "Debtor"). This declaration is made in support of my Motion for Order: (1) Authorizing Trustee to Prepare List of Creditors, Schedules and Statement of Financial Affairs; and (2) Extending Time to File Complaint Objecting to Debtor's Discharge (the "Motion").

2. To date, no schedules have been filed in the Debtor's bankruptcy case.

3. The initial 341(a) meeting of creditors was held on June 20, 2019 and the Debtor failed to appear.

4. A continued 341(a) is currently set for July 11, 2019.

5. Based on a review of the pleadings and other documents on file in the Debtor's bankruptcy case, it appears that, on July 18, 2015, petitioning creditor Stephen Wood (the "Petitioning Creditor") was grievously injured when the bicycle he was riding was struck by a vehicle driven by the Debtor. The Petitioning Creditor subsequently filed a state court action against the Debtor entitled *Stephen Wood v. Serapio Venegas*, Los Angeles Superior Court Case No. MC026431 (the "State Court Action") and obtained a judgment against the Debtor in the amount of \$13,832,242.

6. I am informed that the Petitioning Creditor alleges that the Debtor has few other creditors and assets of limited value other than the right under California law to assign certain rights against his insurer, Alliance United Insurance Company ("Alliance United").

7. I am further informed that those rights may be valuable because Alliance United let a settlement offer from the Petitioning Creditor lapse without acceptance, thereby giving rise to claims against Alliance United for failure to defend, failure to settle and/or failure to indemnify the Debtor in the State Court Action. Additionally, the Petitioning Creditor advises that the Debtor has refused to assign those rights.

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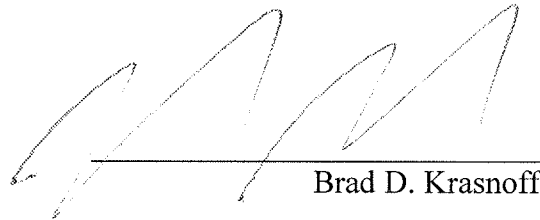
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1 8. Due to the Debtor's default on his obligations to prepare and file a list of creditors,
2 schedules and statements, I will endeavor to do so to the best of my information and belief after
3 consulting with the Petitioning Creditor.

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5 I declare under penalty of perjury under the laws of the United States of America that the
6 foregoing is true and correct.

7 Executed at Los Angeles, California on July 8, 2019.

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Brad D. Krasnoff

REQUEST FOR JUDICIAL NOTICE

Brad D. Krasnoff, the Chapter 7 trustee (the "Trustee") for the estate of Serapio Venegas (the "Debtor"), hereby respectfully requests that the Court take judicial notice of the following facts pursuant to Fed. R. Evid. 201:

1. On or about March 22, 2019, an involuntary petition under Chapter 7 of title 11 of the United States Code (the "Bankruptcy Code") was filed against Serapio Venegas (the "Debtor") by petitioning creditor Stephen Wood (the "Petitioning Creditor").

2. The order for relief was entered on or about April 30, 2019 (*docket no. 11*), pursuant to which the Debtor was ordered to file his schedules by May 7, 2019.

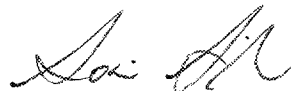
3. On or about May 10, 2019 (*docket no. 14*), Brad D. Krasnoff accepted appointment as the Chapter 7 trustee for the Debtor's estate and continues to serve in that capacity for the benefit of creditors.

4. The deadline for the Trustee or any creditor or party-in-interest to file a complaint objecting to the Debtor's discharge under 11 U.S.C. § 727 (the "727 Deadline") is August 19, 2019 (*docket no. 15*).

DATED: July 8, 2019

DANNING, GILL, DIAMOND & KOLLITZ, LLP

By:



SONIA SINGH

Attorneys for Brad D. Krasnoff, Chapter 7 Trustee

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 1900 Avenue of the Stars, 11th Floor, Los Angeles, CA 90067-4402.

A true and correct copy of the foregoing document entitled (*specify*): TRUSTEE'S NOTICE OF MOTION AND MOTION FOR ORDER: (1) AUTHORIZING TRUSTEE TO PREPARE LIST OF CREDITORS, SCHEDULES AND STATEMENT OF FINANCIAL AFFAIRS; AND (2) EXTENDING TIME TO FILE COMPLAINT OBJECTING TO DEBTOR'S DISCHARGE; MEMORANDUM OF POINTS AND AUTHORITIES, DECLARATION OF BRAD D. KRASNOFF AND REQUEST FOR JUDICIAL NOTICE IN SUPPORT THEREOF will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) July 8, 2019 I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page.

2. SERVED BY UNITED STATES MAIL: On (*date*) July 8, 2019, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Debtor
Serapio Venegas
1612 E Lancaster Blvd
Lancaster, CA 93535

☒ Service information continued on attached page.

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) July 8, 2019, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

BY PERSONAL DELIVERY BY ALSSI ON JULY 9, 2019
The Honorable Robert Kwan
U.S. Bankruptcy Court
255 E. Temple Street, Bin outside of Suite 1682
Los Angeles, CA 90012

☐ Service information continued on attached page.

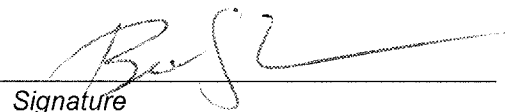
I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

July 8, 2019

Date

Beverly Lew

Printed Name


Signature

ADDITIONAL SERVICE INFORMATION (if needed):

1. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")

Bernard D Bollinger, Jr on behalf of Petitioning Creditor Stephen Wood
bbollinger@buchalter.com, IFS_filing@buchalter.com;smartin@buchalter.com

Eric P Israel on behalf of Attorney Courtesy NEF
eisrael@dgdk.com, danninggill@gmail.com;eisrael@ecf.inforuptcy.com

Eric P Israel on behalf of Trustee Brad D Krasnoff (TR)
eisrael@dgdk.com, danninggill@gmail.com;eisrael@ecf.inforuptcy.com

Brad D Krasnoff (TR)
BDKTrustee@dgdk.com, bkrasnoff@ecf.axosfs.com;DanningGill@gmail.com

Robert J Pfister on behalf of Interested Party Alliance United Insurance Company
rpfister@ktbslaw.com

Sonia Singh on behalf of Attorney Courtesy NEF
ss@dgdk.com, danninggill@gmail.com,ssingh@ecf.inforuptcy.com

Sonia Singh on behalf of Trustee Brad D Krasnoff (TR)
ss@dgdk.com, danninggill@gmail.com,ssingh@ecf.inforuptcy.com

United States Trustee (LA)
ustpreion16.la.ecf@usdoj.gov

2. SERVED BY U.S. MAIL

Alliance United Insurance Company |c/o Klee, Tuchin, Bogdanoff & Stern LLP|1999 Avenue of the Stars, 39th Floor|Los Angeles, CA 90067-6049
Employment Development Dept. |Bankruptcy Group MIC 92E|P.O. Box 826880|Sacramento, CA 94280-0001
Franchise Tax Board |Bankruptcy Section MS: A-340|P.O. Box 2952|Sacramento, CA 95812-2952
OFFICE OF FINANCE CITY OF LOS ANGELES|200 N SPRING ST RM 101 CITY HALL|LOS ANGELES CA 90012-3224
Los Angeles Division|255 East Temple Street,|Los Angeles, CA 90012-3332
Stephen Wood |c/o Shernoff Bidart Echeverria LLP|600 S Indian Hill Blvd|Claremont, CA 91711-5444